



Sectoral Profile

Arts, Entertainment and Recreation

Ontario

2016-2018



Sectoral Profiles provide an overview of recent labour market developments and outlooks for some of the key industries in various regions of the country.

MODERATE EMPLOYMENT GROWTH EXPECTED FOR THE ARTS, ENTERTAINMENT AND RECREATION SECTOR

- The Arts, Entertainment and Recreation (AER) sector recorded relatively minimal employment growth in Ontario between 2007 and 2016, increasing by 2.4%
- Short- to medium-term employment growth in the AER sector may be limited by high household debt levels and the retirement of baby boomers
- On a brighter note, the promotion of active lifestyles and an increase in tourism may support sector employment growth
- As a result, we expect moderate employment growth of 1.2% between 2016 and 2018

Arts, Entertainment and Recreation

The arts, entertainment, and recreation (AER) sector is relatively small sector in Ontario, employing about 158,600 people,¹ and contributing less than one percent to Ontario's gross domestic product (GDP) in 2015.² The following three subsectors make up the AER sector: performing arts, spectator sports and related industries; heritage institutions, such as museums and art galleries; and amusement, gambling and recreation industries. The amusement, gambling and recreation industries subsector is the largest of the three subsectors, representing just over 61% of employment in the overall AER sector.³

Employment growth in AER was slow over the past decade

The AER industry recorded relatively minimal employment growth in Ontario over the past decade, increasing by 2.4% between 2007 and 2016.⁴ In comparison, total employment for all industries increased by 6.8% during

¹ Statistics Canada, Labour Force Survey

² Statistics Canada, CANSIM Tables 379-0028

³ Statistics Canada, Labour Force Survey

⁴ Statistics Canada, Labour Force Survey, custom table, using the first half of 2016

the same time frame. Unemployment in the AER sector increased from 4.8% to 6.0% over the past decade,⁵ compared with 6.4% in 2007 and 6.8% in 2016 for all industries.⁶

The following occupations make up a fifth of the workforce in the AER sector:⁷

- Program leaders and instructors in recreation, sport and fitness (NOC 5254)
- Operators and attendants in amusement, recreation and sport (NOC 6722)
- Landscaping and grounds maintenance labourers (NOC 8612)

A higher proportion of workers in the AER sector are self-employed compared with the industrial average. Nearly a quarter of those in the AER sector are self-employed, versus 15.7% for all industries.⁸ In addition, 39.2% of those employed in the AER sector are in part-time roles, versus 18.7% of all industries in Ontario.⁹ About 47.9% of those working part-time in the AER industry are between the ages of 15-24, versus 34.5% for all industries.

In 2016, nearly a third of people employed in the AER sector were between the ages of 15 and 24, versus about 13% for all industries.¹⁰ This sub sector is highly seasonal with amusement parks and golf clubs employment peaking in the summer and ski resort employment peaking in the winter. The younger workforce is likely attracted to the non-traditional hours and the seasonality of many jobs, allowing youth to work outside of typical school hours. The AER sector is also highly accessible to younger workers due to the lower educational and skill requirements relative to other industries.

Within the AER sector, a high proportion of younger workers are employed in the amusement, gambling, and recreation subsector.¹¹ This subsector is highly accessible to younger workers due to lower educational requirements^{12,13} and the flexibility of working part-time.

Debt, the uptake of active lifestyles, retirement, and tourism all affect industry growth

The growth of consumer debt is likely to hamper sector demand

Employment growth in the AER sector is partly dependent on the strength of the economy and disposable income levels. As the economy slows or disposable income drops, Canadians are less likely to conduct leisure activities. In Canada, the household debt-to-disposable-income ratio is at all-time highs, and has topped 165%,^{14,15} indicating that consumers have high levels of debt relative to their income. During 2017 and 2018, household spending may be curbed to replenish savings and reduce debt. This could reduce leisure-related spending and constrain employment growth in the sector.

The adoption of active lifestyles may drive some sector demand

⁵ Statistics Canada, Labour Force Survey, custom table, using the first half of 2016

⁶ Statistics Canada, Labour Force Survey, custom table

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⁹ Ibid.

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¹¹ Custom table (Table 7)

¹² Custom table (Table 11)

¹³ Custom table (Table 12)

¹⁴ Statistics Canada, CANSIM Table 378-0122

¹⁵ Government of Canada, Statistics Canada. (2016, June 14). National balance sheet and financial flow accounts, first quarter 2016.

Retrieved from <http://www.statcan.gc.ca/daily-quotidien/160614/dq160614a-eng.htm?HPA>

Over the last decade, healthcare professionals have promoted active lifestyles. The promotion and adoption of active recreational activities may drive some demand for this sector.¹⁶ Between 2010 and 2014, household spending on recreational services increased by 26.8%, whereas total expenditure increased by only 11.7%. On the other hand, household spending on museums, zoos, and other sites was down by 53.1%,¹⁷ which may offset sector demand.

Leisure time during retirement may drive some sector demand, but this will be limited due to lower incomes

Another aspect that can be both a driver and an impediment to sector employment growth is retirement. As waves of baby boomers retire, this segment of the population will have more leisure time. On the other hand, the shrinking size of the working-age population also means slower growth in consumer spending. The proportion of Canadians age 65 and over who have some form of debt is increasing, particularly in the mortgages of their principal residences.¹⁸ Thus, the retirement of the baby boomer generation will have mixed effects on employment growth in the AER sector. For example, although retirement will offer more time for baby boomers to spend on sports, sport participation actually declines with age.^{19,20} In addition, a lower income during retirement may constrain the amount of money baby boomers are able to spend on spectator sports, performance arts, cultural institutions, and gambling.

Tourism is likely to support sector demand

The value of the CAD/USD exchange rate and the strength of the economies of other nations - particularly the U.S. due to its proximity to Ontario - drive much of the growth in tourism in Ontario.²¹ A lower CAD/USD exchange rate provides an incentive for visits to Canada. Given the recent depreciation of the Canadian dollar and the strengthening US economy, we expect an increase in tourism over 2017 and 2018, which will positively affect Ontario's AER sector.

The low CAD/USD should also compel Canadians to take domestic trips rather than travel abroad. As the weaker dollar makes overseas travel more expensive for Canadians, providers of outdoor sports and recreational services may also benefit from an increase in these activities by visitors from other provinces and within Ontario.

Sector Outlook

Although the adoption of active lifestyles, an increase in leisure time during retirement, and tourism growth are likely to drive demand for the sector, this will be offset by high income-to-debt ratios and lower income during retirement. Thus, we expect moderate employment growth over the 2016 to 2018 forecast period of 1.2%.

¹⁶ Government of Canada, Statistics Canada. (2014, April 23). [Who participates in active leisure?](http://www.statcan.gc.ca/pub/11-008-x/2009001/article/10690-eng.htm) Retrieved from <http://www.statcan.gc.ca/pub/11-008-x/2009001/article/10690-eng.htm>

¹⁷ Table 203-0021

¹⁸ CANSIM 205-0002

¹⁹ Government of Canada, Canadian Heritage. (2013, February). [Sport Participation 2010](http://publications.gc.ca/site/archiv-ee-archived.html?url=http://publications.gc.ca/collections/collection_2013/pc-ch/CH24-1-2012-eng.pdf). Retrieved from http://publications.gc.ca/site/archiv-ee-archived.html?url=http://publications.gc.ca/collections/collection_2013/pc-ch/CH24-1-2012-eng.pdf

²⁰ Government of Canada, Statistics Canada. (2010, October 28). [The Chief Public Health Officer's Report on The State of Public Health in Canada 2010](http://www.phac-aspc.gc.ca/cphorsphc-respcacsp/2010/fr-rc/cphorsphc-respcacsp-06-eng.php). Retrieved from <http://www.phac-aspc.gc.ca/cphorsphc-respcacsp/2010/fr-rc/cphorsphc-respcacsp-06-eng.php>

²¹ Statistics Canada, CANSIM Table 427-0005

Sub-provincial Trends

In September of 2016, GoodLife Fitness announced it will open about 7 new locations across Ontario. Each club will employ between 30 to 50 people.²² Over the past year, multiple locations were also opened.^{23,24,25}

The **Hamilton-Niagara Peninsula** economic region is a popular tourist destination, with many large casinos and gaming facilities. Due to the proximity to the U.S., the share of U.S. visitors to the region is high. As a result, tourism is particularly susceptible to changes in the CAD/USD exchange rate and the strength of the U.S. economy. The weakening of the Canadian dollar and the continued strengthening of the U.S. economy is likely to increase tourism to the region over the next few years.

Toronto is home to many cultural institutions, such as museums and art galleries, and hosts 7 professional sports teams. It is also a popular destination for tourists and attracted about 40 million visitors in 2015.²⁶

The economic region of **Ottawa** is home to many tourist attractions, such as the parliament building, national museums, and outdoor activities. When the nation's capital celebrates the country's 150th birthday, local tourism should receive a boost.²⁷ In addition, gradual employment growth in the federal public sector could lead to some recreational spending in the region.

The **Muskoka-Kawarthas** and **Stratford-Bruce Peninsula** economic regions are home to a high concentration of cottages, cabins, and RV and campgrounds. These regions attract many tourists interested in outdoor activities and sports.²⁸ Consequently, tourism thrives in the summer months and falls off significantly thereafter.²⁹ The new Shorelines Casino Peterborough, which broke ground in Belleville will likely to contribute towards employment growth in the **Kingston—Pembroke ER**.³⁰

The **Windsor-Sarnia** economic region borders the U.S., and therefore has a large share of U.S. visitors. As the Canadian dollar becomes cheaper relative to the U.S. greenback, day travel in the region should see more activity.

²² The Canadian Press. (2016, September 26). **GoodLife to add 600 jobs by August**. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/report-on-business/goodlife-to-add-600-jobs-by-august/article32063197/>²³ Brown, Nikita. (2016, June 12). **New GoodLife fitness super-club opens in North Brampton**. *Bramptonist*. Retrieved from <http://bramptonist.com/new-goodlife-fitness-super-club-opens-in-north-brampton/>

²³ Brown, Nikita. (2016, June 12). **New GoodLife fitness super-club opens in North Brampton**. *Bramptonist*. Retrieved from <http://bramptonist.com/new-goodlife-fitness-super-club-opens-in-north-brampton/>

²⁴ Peters, Bob. (2016, July 21). **Fit4Less by GoodLife Opens in Cornwall**. *Choose Cornwall*. Retrieved from <http://www.choosecornwall.ca/eng/news/1205/57/Fit4Less-by-GoodLife-Opens-in-Cornwall/>

²⁵ Hoggett, Maija. (2015, August 17). **GoodLife Fitness opens 'Neighbourhood' club in Alliston**. *Simcoe.com*. Retrieved from <http://www.simcoe.com/news-story/5800984-goodlife-fitness-opens-neighbourhood-club-in-alliston/>

²⁶ City of Toronto. (2015). **Tourism**. Retrieved from <http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=580b6fe8341da310VgnVCM10000071d60f89RCRD&vgnextchannel=401132d0b6d1e310VgnVCM10000071d60f89RCRD>

²⁷ Scholey, L. (2016, May 31). **Tourism summit plans Ottawa's post-2017 'hangover'**. *Ottawa Business Journal*. Retrieved from <http://www.obj.ca/Local/Tourism/2016-05-31/article-4545031/Tourism-summit-plans-Ottawas-post-2017-hangover/1>

²⁸ Government of Ontario, Ministry of Tourism, Culture and Sport. (2016, January 19). **Regional Tourism Profiles**. Retrieved from <http://www.mtc.gov.on.ca/en/research/rtp/rtp.shtml>

²⁹ **Muskoka assessment project**. (2015, November 11). *Muskoka Tourism Marketing Agency*. Retrieved from http://www.mtc.gov.on.ca/en/publications/PR_Muskoka.pdf

³⁰ Kovach, J. (2016, April 13). **Casino confirmed for city of Peterborough**. *The Peterborough Examiner*. Retrieved from <http://www.thepeterboroughexaminer.com/2016/04/12/casino-confirmed-for-city-of-peterborough>

In the **Northwest and Northeast** economic regions, the largest share of tourists originate from Ontario, although US visitors make up a substantial portion as well. The main attractions are related to boating, fishing and hunting. These two northern regions are home to a very large share of the province's RV parks and recreational camps. The weakening of the Canadian dollar is likely to increase domestic tourism to the region over the next few years.

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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